

# **EXHIBIT 2**

<b>Language<sup>1</sup> from Consolidated Amended Class Action Complaint (ECF No. 34) in <i>In re Valve Antitrust Litigation</i> (Case No. 2:21-cv-00563-JNW)</b>	<b>Language from Class Action Complaint (ECF No. 1) in <i>Drake et al. v. Valve Corp.</i> (Case No. 2:24-cv-01743-JNW)</b>
<p>In 2003, Valve launched the Steam Gaming Platform which, at the time, centered primarily on providing a patch and update process for Valve-developed games. Patches fix flaws, or “bugs,” in a game’s software after initial release, while updates often incorporate new functionality or content into the game. Prior to introducing the Steam Gaming Platform, Valve had difficulty with providing patches and updates for its games, which created problems for Valve because its games often involved an online multiplayer component that required the various copies of games that users owned to interact with each other. Because users often obtained different versions of the games (<i>e.g.</i>, v1, v1.1, v1.2, etc.), they could have compatibility problems which would prevent them from playing together. The Steam Gaming Platform provided a central location for Valve customers to receive those software updates and keep their games up to date. ¶ 49.</p>	<p>Valve introduced Steam in 2003, marking a significant change in the company’s business model and strategy. Steam was initially focused only on providing patches (addressing software flaws) and updates (introducing new features and content) for Valve-developed games. Before Steam, patches and upgrades were delivered ad hoc, creating compatibility issues where different users owned different versions of the same game, which prevented multiplayer gaming. Steam offered an organized repository for users to obtain software patches and updates, ensuring their games were kept up to date and compatible. ¶ 32.</p>
<p>Gamers develop large game libraries on the platforms of their choice, along with social networks and other features. This makes it less likely the gamer will switch platforms or view versions of games enabled for different platforms as interchangeable. A gamer who has an extensive list of friends on the Steam Gaming Platform along with a large library of games is less likely to purchase the Xbox edition of the game, even if she owns an alternative platform like the Xbox. ¶ 70.</p>	<p>Consumer gamers often develop extensive game libraries and social networks on their chosen platforms, making it less likely for them to switch systems. For example, a consumer with a large Steam library and numerous friends on Steam is unlikely to purchase the PlayStation version of a game available on both platforms, even if they also own a PlayStation. ¶ 150.</p>
<p>Moreover, games that allow online multiplayer gaming do not always allow the players on each platform to game together across different hardware systems or different gaming platforms. For example, a game released on both PC Desktop and</p>	<p>Similarly, consumers who play multiplayer games often build extensive social networks on specific platforms, and switching platforms can mean losing the ability to play with their friends. Not all games with online multiplayer options support cross-platform</p>

<sup>1</sup> In-text footnote numbers were omitted from the language included in the table.

<p>PlayStation does not necessarily allow the PC Desktop gamers to play with the PlayStation gamers. The same is true across PC Desktop Gaming Platforms like the Steam Gaming Platform and the Epic Games Store (the “EGS Platform”). ¶ 71.</p>	<p>play. For instance, a game available on both PC and PlayStation may not allow PC gamers to play with those on PlayStation. This limitation also applies to different PC gaming platforms. ¶ 151.</p>
<p>Another category of games at the very low end of the broader gaming universe is browser games playable on websites like Facebook and others. Before mobile devices and games grew in popularity, browser-based games like Farmville were a popular way to enjoy low-fidelity social games. Given the limited technical capabilities web browsers have historically provided these browser-based games were largely “casual” games meant to cater to a broad audience. . . . As smartphones gained in popularity starting in 2007, web browser game developers shifted more and more resources to mobile gaming. Today, although web browser games still exist, they are much rarer than before and primarily compete with mobile games. ¶ 75.</p>	<p>These browser-based games represent the lower end of the gaming spectrum. Before the rise of mobile gaming, they were a popular way to enjoy casual gaming experiences. However, due to the limitations of web browsers, these games faced constraints in quality and performance. As mobile gaming gained traction, developers increasingly shifted their resources from web browser games to mobile platforms. Today, while web browser games still exist, they have become less common and primarily compete with mobile games. ¶ 161.</p>
<p>According to a long-time Valve employee, “Valve was really all about controlling the flow of an entertaining experience. Having your hand on that knob, deciding when to turn it up, turn it down.” Thus, the company’s name, “Valve,” was a “compelling metaphor.” ¶ 109.</p>	<p>A long-time Valve employee once remarked, “Valve was really all about controlling the flow of an entertaining experience. Having your hand on that knob, deciding when to turn it up, turn it down.” The former employee noted that the company’s name, “Valve,” aptly serves as a “compelling metaphor.” ¶ 188.</p>
<p>Due to its large market share and user base, game publishers generally consider the Steam Gaming Platform a must-have. As put by one game publisher, “As a developer, it’s scary to have one entrenched company dominating all of PC games since we are completely at Valve’s mercy.” ¶ 108.</p>	<p>Due to its dominant market share and extensive user base, consumers and publishers view Steam as a platform with which they must do business. . . . Some have expressed concern with this fact, with one stating, “As a developer, it’s scary to have one entrenched company dominating all of PC games since we are completely at Valve’s mercy.” ¶ 187.</p>

As explained by an EA executive, PC game publishers “want to be where the players are,” which in the case of PC Desktop Games means the Steam Gaming Platform. ¶ 110.	As explained by an EA executive, PC game publishers “want to be where the players are,” which means Steam. ¶ 187.
According to a former Valve employee, “in the Internet age, software has close to zero cost of replication and massive network effects, so there’s a positive feedback spiral that means that the first mover dominates.” ¶ 111.	As one former Valve employee observed, “[i]n the Internet age, software has close to zero cost of replication and massive network effects, so there’s a positive feedback spiral that means that the first mover dominates.” ¶ 192.
As more gamers engage with the Steam Gaming Platform, its value increases for both gamers (direct network effects through the ability of gamers to find others to play games with and to develop a more robust social network) and publishers (indirect network effects through access to more gamers). In turn, more publishers on the Steam Gaming Platform increases its value for gamers (further indirect network effects). ¶ 112.	As more consumers engage with the platform, its value increases for both consumer gamers (through direct network effects, enabling them to find others to play with and building a more robust social network) and publishers (via indirect network effects, providing access to a larger audience). Similarly, as more publishers use Steam, its value further increases for gamers. ¶ 192.
The PC Desktop Gaming Platform Market has many barriers to entry that reinforce Valve’s dominance and monopoly power in the market for PC Desktop Gaming Platforms. These barriers are typical of technology platforms generally. As discussed in the Digital Markets Report, typical barriers to entry for technology platforms include network effects, switching costs, the accumulation of data, and economies of scale and scope. All of these barriers to entry apply to the PC Desktop Gaming Platform Market in general, and to the Steam Gaming Platform in particular. ¶ 111.	The PC Game Distribution and PC In-Game Payment Processing markets feature numerous barriers to entry, reinforcing Valve’s monopoly and/or market power. A Majority Staff Report published by the House of Representatives Subcommittee on Antitrust entitled “Digital Markets Report” identifies typical barriers for technology platforms, which include network effects, switching costs, data accumulation, and economies of scale and scope. Each of these barriers is present in the PC Game Distribution and PC In-Game Payment Processing markets, and with Steam in particular. ¶¶ 190–91.
These included social networking features, communities of game “modders,” and an achievement system where gamers could track their progress on games. Today, gamers with Steam Gaming Platform accounts can create a social network of friends and teammates that any game on the platform can	Steam’s platform incorporates social networking features, communities of game modders, and an achievement system that tracks gamers’ progress. Users with Steam accounts can create a network of friends and teammates that they can access within any game on Steam, which permits gamers to

<p>access. This means that gamers do not need to search for their friends each and every time they purchase a new computer game or want to play a game they already own with friends; they can log on to the Steam Gaming Platform and can see who is online or invite friends through the platform to join them in a game. ¶ 56.</p>	<p>easily find and invite friends to play games without needing to search for these users each time they purchase or play a new game. ¶ 193.</p>
<p>Moreover, “[i]n many cases, large technology firms can maintain market power in part because it is not easy for users to switch away from the incumbent’s technology.” While it is possible to “multi-home” on PC Desktop Computers by installing multiple gaming platforms, the Steam Gaming Platform creates strong lock-in effects through a user’s game library and data in the form of achievements and social connections. ¶ 113.</p>	<p>Many large technology companies maintain their market power because it is difficult for consumers to switch away from using their platforms. Although consumers can technically “multi-home” between different PC gaming platforms, the access that Steam offers consumers to their game library, social connections, and achievement tracking system creates strong lock-in effects. ¶ 194.</p>
<p>As noted, Valve collects detailed data on game usage, game preferences, social networks, and other facets of its Steam Gaming Platform. These data collection practices enhance Valve’s market power. The accumulation of such data “can serve as another powerful barrier to entry for firms in the digital economy” and “data-rich accumulation is self-reinforcing.” As explained by the American Bar Association’s Antitrust Law Section:</p> <p>Big data and data analytics can create and amplify feedback effects. For example, more people using a product can mean that more data, and more diverse data, will be collected, allowing the company to both improve its products as well as potentially identify and offer new ones. This in turn can attract more customers, leading to a positive feedback loop, helping a company to grow and potentially dominate the market. Indeed, data-driven markets may “tip towards one or two products or platforms.”</p> <p>¶ 114.</p>	<p>Valve further benefits from the significant volume of data it collects on game usage, preferences and settings, social networking activity, and other activities on its platform, and uses this information to enhance its monopoly and/or market power. Accumulating large amounts of data “can serve as another powerful barrier to entry for firms in the digital economy” and is “self-reinforcing.” The American Bar Association’s Antitrust Law Section describes how access to large amounts of data can “amplify feedback effects”:</p> <p>For example, more people using a product can mean that more data, and more diverse data, will be collected, allowing the company to both improve its products as well as potentially identify and offer new ones. This in turn can attract more customers, leading to a positive feedback loop, helping a company to grow and potentially dominate the market. Indeed, data-driven markets may “tip towards one or two products or platforms.”</p> <p>¶ 195.</p>

<p>Valve also gains access to, and utilizes, detailed information about its competitors' businesses. Valve is the gatekeeper for the Steam Gaming Platform, and sets the terms and conditions on which its game-publisher rivals can access the Steam Store and the Steam Gaming Platform. This allows Valve to favor or punish specific games or publishers, or change the rules when Valve feels threatened in any way by specific game publishers or rivals in the markets for PC Desktop Gaming Platforms and PC Desktop Game Distribution. ¶ 115.</p>	<p>Valve also has access to detailed information about its competitors' operations. As the gatekeeper of the Steam platform, Valve sets not only the terms under which game publishers, including its rivals, can access its platforms, but also the terms that govern what those publishers may offer its users. This oversight allows Valve to maintain its dominance by favoring or punishing specific games or publishers, and by altering the rules whenever it feels threatened by particular publishers or competitors in the market. ¶ 196.</p>
<p>Valve's ability to function as a gatekeeper distorts competition because its rivals must weigh the risks of retaliation. As owner of the Steam Store, which is the primary means of access to the Steam Gaming Platform for publishers, Valve has further gatekeeping power over its rivals and the market as a whole. Valve has unlimited power to promote Valve's own games on the store. Valve can add demonstration ("demo") versions of its games directly to every consumer's library, and ensure its own games are at the top of sale queues presented to users. Valve also monitors point-of-sale transactions and microtransactions for its competitors' games. ¶ 116.</p>	<p>Valve's gatekeeping ability allows it to favor its own games and maintain leverage over publishers. As owner of Steam, Valve can choose which games to promote, including its own games. Valve can add promotional copies of its games to every Steam user's game library and otherwise ensure that its games are featured prominently on the platform. Conversely, Valve can punish publishers at its discretion by refusing to promote their games, making their games hard to find on its platform, and, in some cases, removing their games from Steam altogether—including games that consumers have already purchased and downloaded. ¶ 197.</p>
<p>Epic is behind the gaming phenomenon, <i>Fortnite</i>, which earned over \$4 billion between its launch in September 2017 and the summer of 2019. <i>Fortnite</i>'s user base gave Epic a strong foundation from which to launch its PC Desktop Game Distribution storefront, which Epic started because, as its CEO explained, "Stores extract an enormous portion of game industry profits and are ripe for disruption." As a prominent game publisher, Epic wanted to avoid paying third parties excessive commissions, and also to bring about a low-commission model for game publishers generally. ¶ 255.</p>	<p>Epic, a leading game publisher known for the massive success of <i>Fortnite</i>, launched EGS partly because, as its CEO noted, "[s]tores extract an enormous portion of game industry profits and are ripe for disruption." To attract publishers to its store, Epic offered a much lower 12% revenue share, which it determined was sufficient to cover store costs in a competitive market. ¶ 202.</p>
<p>To attract publishers to its new storefront, Epic offered publishers a much lower</p>	<p>To attract publishers to its store, Epic offered a much lower 12% revenue share, which it</p>



<p>commission than the Steam Store: 12% instead of Valve’s 30%. As Epic recently stated in court filings, “Epic decided to charge developers a 12% revenue share after it concluded that 12% would be competitive, sufficient to cover its costs of distribution and allow for further innovation and investment in EGS.” ¶ 256.</p>	<p>determined was sufficient to cover store costs in a competitive market. ¶ 202.</p> <p>For example, Epic Games has acknowledged in court filings that “Epic decided to charge developers a 12% revenue share after it concluded that 12% would be competitive, sufficient to cover its costs of distribution and allow for further innovation and investment in EGS.” ¶ 230.</p>
<p>To attract gamers to its new platform, Epic began giving away large volumes of games for free through its storefront. In 2020 alone, Epic reported that users claimed more than 749 million copies of free games through the EGS. ¶ 257.</p>	<p>Epic heavily invested in attracting consumers to EGS. It gave away large quantities of free games; in 2020, it gave away 103 titles worth a combined total of \$2,407, resulting in 749 million free game claims by customers. ¶ 203.</p>
<p>But, even with these aggressive tactics, the EGS Store has been unable to move a significant share of the PC Desktop Game Distribution Market away from Valve and the Steam Store. Analyzing 2019 figures, one industry analyst explained that, despite its dogged efforts, EGS likely had a market share “a little above 2%” and that “Epic games paid more than their market share to get that market share. They spent \$880M for revenue of \$680M.” ¶ 261.</p>	<p>Despite its aggressive tactics, EGS has not significantly cut into Valve’s market share. For instance, although Epic secured an exclusive release for the high-profile game <i>Borderlands 3</i>, the game was later released successfully on Steam where it achieved commercial success. Analysis of 2019 figures indicates that despite its efforts, Epic’s store likely captured only “a little above 2%” of the market. To acquire this market share, Epic spent \$880 million while earning only \$680 million in revenue. ¶ 205.</p>
<p>The 2020 figures are roughly similar to those reported in 2019. The most recent year-in-review report for the EGS shows that PC desktop gamers spent \$700 million on the EGS, which includes approximately \$435 million in sales from Epic’s proprietary games. And EGS ended up giving away product valued at \$2.4 billion while only earning \$700 million through its storefront. ¶ 262.</p>	<p>In 2020, EGS continued a similar pattern, with PC gamers spending a total of \$700 million on the platform, including around \$435 million from sales of Epic’s proprietary games. Epic also gave away products valued at \$2.4 billion while only generating \$700 million in revenue through its storefront. ¶ 206.</p>
<p>As explained by one industry analyst, “Two years and four months after its inception on December 4, 2018, the Epic Games Store hasn’t done much for its parent company aside from being one of its biggest money</p>	<p>One industry analyst explained, “Two years and four months after its inception on December 4, 2018, the Epic Games Store hasn’t done much for its parent company aside from being one of its biggest money</p>

<p>losers. This is according to court documents shared by a ResetEra user, which reveal that the fledgling Steam competitor had cost Epic Games approximately \$181 million and \$273 million in losses in 2019 and 2020, respectively.” ¶ 264.</p>	<p>losers.” EGS incurred approximately \$181 million in losses in 2019 and \$273 million in losses in 2020. Epic has asserted that its 12% commission covers the operating costs of running EGS. ¶ 207.</p>
<p>On June 3, 2011, EA attempted to enter the relevant markets with a vertically integrated Platform/Distribution product named “Origin.” Similar to the Steam Gaming Platform, Origin was designed to be a “direct-to-consumer gaming platform” where gamers could download and maintain their Origin-enabled games. Although Origin originally offered only EA developed games, EA soon after announced releases from other major publishers, including Warner Bros., THQ, and Capcom Entertainment, Inc. Contemporaneous news articles described how the Origin Platform “presents the biggest threat to Steam’s dominance yet . . . .” ¶¶ 236–37.</p>	<p>EA launched Origin, its store and game launcher, in 2011 as a “direct-to-consumer gaming platform,” allowing gamers to buy, download, and play games directly from EA. While Origin originally carried only EA-developed games, it later expanded to include releases from other major publishers such as Warner Bros., THQ, and Capcom Entertainment, Inc. News articles at the time described Origin as “the biggest threat to Steam’s dominance yet.” ¶ 211.</p>
<p>To help get Origin off the ground, EA initially mandated that all EA games would need to use the Origin Platform, even if purchased through alternative distributors. As a result of that strategy, EA withdrew its games from the Steam Store, which does not allow publishers to sell versions of games created for other platforms. While other distributors like GameStop were happy to sell Origin-enabled versions of games, Valve would not do so through its Steam Store. EA explained, “At present, there is only one download service [Steam] that will not allow this relationship. . . . Steam has imposed a set of business terms for developers hoping to sell content on that service—many of which are not imposed by other game services.” ¶ 238.</p>	<p>EA initially mandated that all EA games use the Origin platform, even if purchased through alternative distribution channels. Other distributors like GameStop were willing to sell Origin-enabled version. However, because Steam does not permit publishers to sell versions of games tailored for other platforms, EA had to withdraw its games from the Steam Store. EA explained, “At present, there is only one download service [Steam] that will not allow this relationship. . . . Steam has imposed a set of business terms for developers hoping to sell content on that service—many of which are not imposed by other game services.” ¶ 212.</p>
<p>EA sold its own games outside of the Steam Store until 2019, when EA announced a return to the Steam Gaming Platform because “[EA] want[s] to be where the players are.” As one article put it, “It has been a long and largely fruitless road for Origin, EA’s PC</p>	<p>Even though Origin offered access to popular EA franchises such as <i>SimCity</i> and <i>FIFA</i>, EA eventually returned its games to Steam in 2020 to “be where the players are.” As one article put it: “It has been a long and largely fruitless road for Origin, EA’s PC gaming</p>



<p>gaming client that it had planned on building into a rival of Valve's Steam. What was originally supposed to have been the chief antagonist to Steam in the ongoing PC gaming platform wars instead is best described as a failure to launch." Valve's conduct thus relegated EA to being yet another publisher paying the bloated 30% tax Valve imposes on nearly every game sold through the Steam Store. ¶¶ 239–40.</p>	<p>client that it had planned on building into a rival of Valve's Steam. What was originally supposed to have been the chief antagonist to Steam in the ongoing PC gaming platform wars instead is best described as a failure to launch." Despite its attempts to compete with Valve via Origin, EA became another publisher subject to Valve's supracompetitive commission on the Steam Store. ¶ 213.</p>
<p>In 2012, Microsoft released the Microsoft Store (formerly known as Windows Store) as its digital distribution platform, including for PC Desktop Games. Unlike other stores, Microsoft merged its other distribution channels into a single storefront, including games operating on both Windows, and its video game console, Xbox. The creation of a cross-console storefront later enabled a cross-platform capability (PC to Xbox), such that a Microsoft Store user can move between game play between consoles without needing to purchase the game on the separate devices (Xbox Play Anywhere). In turn, the Windows Store could become a "near-omnipresent digital storefront, giving Microsoft a captive audience for its library of software, and not coincidentally acts as a challenge to Steam's market dominance." Microsoft also leveraged its dominance of the Windows operating system by having its store pre-installed on Windows-based PCs. ¶ 249.</p>	<p>In 2012, Microsoft launched the Microsoft Store (previously known as Windows Store) as its PC game distribution platform, hoping to attract users by offering access to its popular games and its Windows operating system. Unlike other stores, Microsoft merged all of its distribution channels into a single storefront, including games that operated on both Windows and its Xbox console, an integration that later allowed users to switch between PC and Xbox without purchasing the game separately for each device. The Windows Store, which came pre-installed on Windows PCs, was positioned to become a "near-omnipresent digital storefront," providing Microsoft with a captive audience for its software library and offering a potential challenge to Steam's market dominance. ¶ 214.</p>
<p>To grow its share of the PC Desktop Gaming Platform Market, Microsoft began distributing many PC games published by Microsoft or its subsidiaries exclusively through the Microsoft Store. This included <i>Sea of Thieves</i>, <i>Age of Empires</i>, and <i>Microsoft Flight Simulator</i>. ¶ 250.</p>	<p>To grow its share of the PC game distribution market, Microsoft distributed many of its PC games exclusively through the Microsoft Store, including popular titles such as <i>Age of Empires</i> and <i>Microsoft Flight Simulator</i>. ¶ 215.</p>
<p>Despite these efforts, Microsoft was unable to grow its share of either the PC Desktop Gaming Platform Market or the PC Desktop Game Distribution Market to commercially viable levels. Microsoft has since retreated from this strategy, and in May 2019, Microsoft announced it would bring more</p>	<p>Despite these efforts, Microsoft was unable to establish an appreciable market share in PC game distribution. As a result, in 2019 Microsoft retreated from this strategy and began offering its PC games on Steam again. One insider remarked that Microsoft "has</p>

games to the Steam Gaming Platform. As an insider remarked on Microsoft’s surrender to the Steam Gaming Platform, Microsoft “has given up entirely on that vision . . . to dethrone Steam.” ¶ 251.	given up entirely” on its bid “to dethrone Steam.” ¶ 216.
Amazon, through the Twitch Store, opened a joint platform/storefront in April 2017, heralded as “one of the biggest challenges yet to Steam.” It was shuttered 18 months later. ¶ 252.	Amazon launched the Twitch Store, launching a joint platform/storefront in April 2017, which was recognized as “one of the biggest challenges yet to Steam.” The Twitch Store was shuttered just 18 months later. ¶ 218.
Google also launched a competitive offering, Google Stadia, meant to be “the future of gaming.” Yet a February 26, 2021 article announced it has “absolutely crumbled under expectations.” ¶ 253.	Google also introduced a competitive offering called Google Stadia, which was intended to be “the future of gaming.” However, industry reports indicated that Stadia “absolutely crumbled under expectations,” and the platform was ultimately terminated in January 2023. ¶ 219.
In August 2018, Discord attempted to enter the relevant markets through a vertically integrated offering. At the time, a media intelligence company purportedly called Discord the “biggest threat [Steam’s] faced in years.” . . . Discord enticed gamers and publishers with attractive offerings, such as exclusive periods of curated games being offered for free. Just a few months after the initial release, further enticing developers, Discord announced that all developers—regardless of size—could self-publish games. ¶¶ 242–43.	In August 2018, Discord launched a vertically integrated game distribution platform that harnessed its significant base of users for its digital communications application. At the time Discord launched it platform, an industry source reportedly called Discord the “biggest threat [Steam has] faced in years.” Indeed, Discord initially attracted gamers and publishers by offering exclusive periods during which it would offer certain games for free. Later, Discord enticed developers by announcing that developers of all sizes could self-publish their games. ¶¶ 220–21.
Even more significant, Discord announced a 90/10 revenue split. Publishers would pay just a 10% commission—that is, one-third of the size of Valve’s. When Discord announced its new initiative, it openly questioned, “Why does it cost 30% to distribute games?” Discord concluded that it “[t]urns out, it does not cost 30% to distribute games in 2018.” Discord settled on 10% because it “covers [its] operating costs,” but also added, “we’ll explore lowering it by	More significantly, Discord offered publishers a more generous revenue share arrangement than Steam at 10%, one-third of Valve’s fee. In announcing this arrangement, Discord argued in a blog post that it “[t]urns out, it does not cost 30% to distribute games in 2018.” The company asserted that the 10% rate “covers [its] operating costs,” and even previewed plans to potentially lower the rate

optimizing our tech and making things more efficient.” ¶ 244.	further by “optimizing [its] tech and making things more efficient.” ¶ 222.
Despite its massive user base and a pro-developer and pro-consumer approach, Discord never gained traction. By early 2019, Discord started “downscaling” its efforts in favor of a model where gamers would gain access to a pool of games for a monthly fee, a service called Nitro. By October 2019, Discord announced the Nitro offering would be shut down. ¶ 245.	Even though it had a significant user base and policies that were favorable to developers and consumers alike, Discord’s gaming platform failed to gain traction. Discord began to “downscale” its efforts by early 2019, shifting towards a service known as Nitro through which gamers could access a pool of games for a monthly fee. Discord announced that it would discontinue the Nitro service in October 2019. ¶ 223.
As mentioned above, Discord’s failure was largely caused by Valve’s anticompetitive conduct. When game developers released on Discord to take advantage of Discord’s lower commission structure, Valve would reach out to the game developer for violating Valve’s parity pricing requirements, chilling the game developer’s ability to do business with Discord. Discord’s low-commission strategy was unable to drive volume to the Discord store, because publishers could not steer gamers to Discord. ¶ 246.	As noted earlier, Discord failed largely due to Valve’s anticompetitive behavior. When publishers released their products on Discord to take advantage of its more generous commission structure, Valve contacted those publishers to enforce the parity pricing requirements of its PMFN, hampering developers’ ability to avoid Valve’s commission as well as Discord’s ability to recruit developers to its platform. As publishers were unable to encourage consumers to access their games on more favorable terms on Discord’s platform, its publisher-friendly commission was not enough to attract sufficient volume to rival Steam. ¶ 224.
Despite Discord’s failure to enter the relevant markets, Valve recognized a nascent threat on the horizon. As Discord was increasingly gaining influence and power as a communications tool for gamers, Valve began copying Discord’s features one-by-one in Steam. For example, Valve introduced “Steam Chat,” which provides a friends list, secure voice chat, and group channels. A reporter for Business Insider put it succinctly: “The update takes many cues from Discord, including a suspiciously similar user interface” that looks “almost exactly the same.” ¶ 247.	Despite Discord’s inability to enter the market successfully, Valve perceived the platform as a potential threat. Valve began to replicate Discord’s features in Steam. For instance, Valve introduced a social networking feature “Steam Chat.” A reporter for Business Insider noted that Steam’s chat feature “[took] many cues from Discord, including a suspiciously similar user interface” that looks “almost exactly the same.” ¶ 225.
Valve’s market power in the market for PC Desktop Gaming Platforms also is	The anticompetitive effects described in this Complaint further illustrate Valve’s market

<p>demonstrated by the anticompetitive effects detailed throughout this Complaint. As described herein, Valve’s conduct has led to supracompetitive prices in the market for PC Desktop Game Distribution and a reduction in market-wide output (in terms of quality, innovation, and choice) in both relevant markets. ¶ 125.</p>	<p>power. Valve’s conduct has resulted in supracompetitive prices in the PC game distribution market, reducing market-wide output in terms of quality, innovation, and consumer choice. Because of Valve’s restrictive practices, gamers do not benefit from seeking out alternative distributors. ¶ 226.</p>
<p>Epic recently stated in court filings that “Epic decided to charge developers a 12% revenue share after it concluded that 12% would be competitive, sufficient to cover its costs of distribution and allow for further innovation and investment in EGS.” In an interview given shortly after EGS opened, Tim Sweeney, CEO of Epic, stated that “[f]ixed costs of developing and supporting the platform become negligible at a large scale. In our analysis, stores charging 30 per cent are marking up their costs by 300 to 400 per cent . . . .” ¶ 277.</p>	<p>For example, Epic Games has acknowledged in court filings that “Epic decided to charge developers a 12% revenue share after it concluded that 12% would be competitive, sufficient to cover its costs of distribution and allow for further innovation and investment in EGS.” Epic’s CEO, Tim Sweeney, also stated that “[f]ixed costs of developing and supporting the platform become negligible at a large scale. In our analysis, stores charging 30 per cent are marking up their costs by 300 to 400 per cent.” ¶ 230.</p>
<p>To further cement its dominance, Valve imposes a Platform MFN on game publishers that list games in the Steam Store (the “Valve PMFN”). Like PMFNs generally, the Valve PMFN compels publishers to sell their games at the Steam Store price (or higher) in <i>all</i> distribution channels, even distribution channels that do not involve connection to or enablement for the Steam Gaming Platform. ¶ 184.</p>	<p>Valve employs such a PMFN on game publishers who list games in the Steam Store. Like other PMFNs, Valve’s PMFN prevents publishers from offering their games for lower prices on other platforms and through other distribution channels. ¶ 46.</p>
<p>Publishers are reminded of these restrictions whenever they request Steam Keys. A copy of the “prompt” screen for publishers requesting keys appears below . . . Thus, in order to receive any Steam Keys, Valve requires game publishers to agree that “<i>I understand that I need to sell my game on other stores in a similar way to how I am selling my game on Steam</i>” and that “<i>I agree that I am not giving Steam customers a worse deal.</i>” The publisher must also agree that “<i>I understand that while it’s OK to run a discount on different stores at different times, I agree to give the same offer to Steam customers within a reasonable amount of</i></p>	<p>In addition, Valve requires publishers to agree to its PMFN when requesting Steam Keys. When submitting the form to request Steam Keys, publishers must indicate agreement with the following three conditions (“Steam Request Conditions”):</p> <ul style="list-style-type: none"> <li>• “I understand that I need to sell my game on other stores in a similar way to how I am selling my game on Steam. I agree that I am not giving Steam customers a worse deal.”</li> <li>• “I understand that while it’s OK to run a discount on different stores at different times, I agree to give the</li> </ul>

<p><i>time.</i>” Again, as discussed above, Valve enforces these rules against publishers not only for Steam Key games, but for <i>all</i> games. ¶¶ 198–99.</p>	<p>same offer to Steam customers within a reasonable amount of time.”</p> <p>¶ 59.</p>
<p>Valve’s founder has admitted that Steam is a “tremendously profitable” endeavor. On a per-employee basis, Valve is perhaps the most profitable company in the world, outpacing tech giants like Apple. By 2015, Valve earned more than \$2 billion per year in profit, which is more than \$5 million per employee. ¶ 269.</p>	<p>In 2011, Valve’s CEO, Gabe Newell, described the company as “tremendously profitable.” In 2015, despite only maintaining 250 employees, Valve earned over \$2 billion in profit—more than \$5 million per employee. ¶¶ 38–39.</p>
<p>Any potential competitor against the Steam Gaming Platform in the PC Desktop Gaming Platform Market needs to overcome the Steam Gaming Platform’s immense network effects caused by extensive game libraries already purchased by players, the social networking features on the Steam Gaming Platform, the achievement system embedded into the Steam Gaming Platform, and the game modification (“modding”) community that exists on the Steam Gaming Platform. Rivals would need to convince gamers and publishers to abandon all of these features and the benefits of the world’s largest PC desktop gaming community to leave Steam and instead join them. When those advantages are combined with Valve’s illegal conduct, it is virtually impossible for a rival to create a commercially viable competitor to the Steam Gaming Platform. ¶ 230.</p>	<p>Competitors aiming to challenge Steam in the PC game distribution market must also contend with the significant direct and indirect network effects Steam enjoys by virtue of its vast library of games already purchased by users, social networking functionalities, achievement tracking system, and its established community of “modders”—gamers that alter and customize aspects of a video game for others to play. Competitors would need to convince both gamers and publishers to forgo these benefits in favor of a new platform. Because of Valve’s PMFN and the network effects that Steam enjoys, it is difficult for rivals to build a commercially viable alternative to Steam. ¶ 96.</p>
<p>Platform MFNs disincentivize sellers (here, game publishers) from offering low prices in any channel, because discounts must be offered to all buyers. Platform MFNs also create artificial barriers to market entry: [S]uppose an entrant wishes to gain customers by charging a lower price (perhaps because it has no established brand name or installed base). It can profitably sell at a low price by undertaking selective contracting with suppliers willing to offer a discount in exchange for more volume or other favorable terms. If those suppliers also supply the incumbent, however, an MFN imposed by</p>	<p>By virtue of its PMFN, Valve avoids meaningful price competition from these rival platforms. Valve’s PMFN discourages publishers from offering lower prices in any sales channel since any discount must be extended to customers on Steam, where publishers face its 30% commission rate. Additionally, Valve’s PMFN acts as an artificial obstacle for market entry. For instance, a new entrant attempting to attract customers to its platform may try to do so by selectively negotiating with suppliers for discounted pricing in return for increased sales volume or other favorable terms.</p>



the incumbent would require the supplier to charge the same price to the entrant. This parity undermines the entrant's business model by preventing it from making an attractive offer to customers. The symmetry that MFNs impose on the marketplace thus can prevent new competition that would lower prices. ¶¶ 217–18.	However, Valve's PMFN would require those publishers to charge the same price on the entrant's platform as they do on Steam. This hampers the entrant's ability to present an appealing product to consumers and inhibits new competition that could drive prices down or result in improved product features. ¶ 97.
When a company imposes a PMFN prohibiting lower prices on other platforms, that provision "serves to suppress competition on the crucial dimension of price[.]" and keeps new entrants from undercutting the dominant platform's commission, and, but for the PMFN, driving consumers to the rival platform. ¶ 220.	Economic literature recognizes that when a platform imposes a PMFN that restricts lower pricing on other platforms, the PMFN "serves to suppress competition on the crucial dimension of price," which inhibits new entrants from undercutting the dominant platform's commission. ¶ 98.
Economic modeling demonstrates that when a dominant platform requires its sellers to agree to a PMFN, (a) there are higher platform fees; (b) there are higher retail prices; and (c) firms with lower-cost models are discouraged from entry. As shown in the Boik & Courts model, for example, a lower price entrant (such as Discord, discussed herein) cannot successfully enter because the PMFN does not allow the entrant to lower prices to attract both sellers and consumers. ¶¶ 222–23.	Economic models indicate that a dominant platform's enforcement of a PMFN causes platform fees and retail prices to increase, while also disincentivizing rival platforms from entering the market. For instance, the Boik & Courts model demonstrates that a lower-priced entrant cannot gain market entry successfully because the PMFN prevents the entrant from reducing prices to attract both sellers and consumers. ¶ 99.
Because Valve enjoys such strategic advantages in the relevant markets, it also does not provide a competitive level of quality to publishers in terms of the Steam Store because it does not need to do so in order to compete. . . . Valve reinvests a miniscule portion of its revenue into improving and maintaining the Steam Store, with very few personnel allocated to Steam Store business development, customer support, and engineering. Competing stores generally offer superior infrastructure and support, despite their much smaller market share. ¶¶ 286–87.	Given Valve's strategic advantages, it doesn't need to offer a competitive level of quality to consumers, including Plaintiffs, on its Steam Store. Valve reinvests only a small fraction of its revenue into improving and maintaining the Steam Store, allocating very few resources to business development, customer support, and engineering. Competing stores, despite their smaller market share, generally offer superior infrastructure and support. ¶ 121.
Valve's lack of investment in the Steam Platform has allowed cybersecurity	Additionally, Steam has been marred with basic cybersecurity issues that leave users



<p>vulnerabilities to proliferate for years, endangering consumers and gamers alike. For example, in 2011, hackers stole “information about Steam transactions between 2004 and 2008” that contained “names, email addresses, encrypted billing addresses and encrypted credit card information,” which forced Valve CEO Gabe Newell to advise Steam Platform users to “watch your credit activity and statements.” By 2015, 77,000 Steam user accounts were being “hijacked and pillaged each month.” And by 2016, a cottage industry of “Steam Stealer” malware had developed that allowed criminals around the world to defraud Steam users, transforming the Steam Platform “into the devil’s playground.” In 2019, Valve agreed to fix a “zero-day” security flaw that had potentially exposed tens of millions of Steam users’ computers to hackers, but only after Valve had been publicly pressured to do so. Later than same year, Valve halted trading and selling of digital items for one video game because “nearly all key purchases that end up being traded or sold on the marketplace are believed to be fraud-sourced” by “worldwide fraud networks” engaged in money laundering. ¶ 288.</p>	<p>and publishers vulnerable to hacking, identity theft, fraud, and money-laundering schemes. . . . For example, in 2011, hackers stole “information about Steam transactions between 2004 and 2008,” which included “names, email addresses, encrypted billing addresses, and encrypted credit card information,” prompting Valve CEO Gabe Newell to advise Steam users to “watch your credit activity and statements.” By 2015, approximately 77,000 Steam user accounts were being “hijacked and pillaged each month.” In 2016, a “Steam Stealer” malware industry emerged, allowing criminals to defraud Steam users, turning the platform into “the devil’s playground.” In 2019, Valve agreed to fix a “zero-day” security flaw that had potentially exposed millions of Steam users to hackers, but only after being publicly pressured to do so. Later that same year, Valve stopped the trading and selling of digital items for a game due to concerns that “nearly all [Steam] key purchases that end up being traded or sold on the marketplace are believed to be fraud-sourced” by global fraud networks engaging in money laundering. ¶¶ 122–23.</p>
<p>Consumers and publishers in the relevant markets have been denied the benefits of price competition that would similarly lead to lower prices (and commissions for publishers) on alternative storefronts. If Valve did not block price competition for Steam-enabled games, gamers and publishers would be able to have a high-quality platform <i>while also</i> enjoying the benefits of price competition in the distribution market. That would improve quality for gamers and publishers alike, all while lowering prices for everyone. ¶¶ 300–01.</p>	<p>PC game consumers have thus been deprived of the benefits of competition, which would lead to reduced game and in-game transaction prices, higher output, and higher quality games and platform services. If Valve did not prevent competition for game prices, gamers would benefit from having access to higher-quality platforms while also enjoying the advantages of competitive pricing in the distribution market. This would improve quality for publishers, platforms, and consumers alike, while simultaneously lowering costs for everyone. ¶ 124.</p>
<p>A video game is an electronic game that can be played on a computing device, such as a PC, gaming console, smartphone, or tablet. As of 2021, there are roughly 3 billion video game players worldwide. ¶ 39.</p>	<p>Video games are interactive software that are played on electronic devices such as PCs, gaming consoles, smartphones, or tablets. In 2023, there were an estimated 3.2 billion people worldwide who engage in video gaming. ¶ 22.</p>

<p>Video games are subcategorized by the type of device on which gamers play them, including computer games (<i>e.g.</i>, PC games), console games (<i>e.g.</i>, PlayStation or Xbox games), and mobile games (<i>e.g.</i>, games played primarily on smartphones or tablets). Any game developed for a particular type of device will only work for that type of device (<i>e.g.</i>, a PC game will work only on a PC) . . . . ¶ 40.</p>	<p>Video games are generally categorized by the devices they are played on, such as PC games (for personal computers), console games (for systems like PlayStation or Xbox), and mobile games (for smartphones or tablets). Each game is designed to be compatible with its specific device type, meaning a PC game can only be played on PCs. ¶ 23.</p>
<p>PC Desktop Games are video games that are downloaded and installed onto a PC device. Although such games vary in size, scope, type, and features, they all involve the ability to load the game directly from the user's computer and then allow the user to play the game from that computer. All require installation on the user's PC to work, and all save data on the user's PC, both for the purposes of running the game, as well as for saving game progress or preferences (such as control schemes, sound and video preferences, etc.). ¶ 41.</p>	<p>PC games are video games that users download and install on their personal computers. These games can differ in size, scope, genre, and features, but they all run directly from the computer where they are installed. They need to be installed on the PC to work, and all essential data, such as game progress and user preferences (like control configurations and audio-visual settings), are stored on the PC. ¶ 24.</p>
<p>PC Desktop Games are almost as old as PCs themselves. PCs first came to prominence in the 1980s and, at that time, numerous game publishers released games for this new type of computing device. As PCs' popularity grew, so, too, did the popularity of PC Desktop Games. ¶ 42.</p>	<p>PC games have existed almost as long as personal computers. The 1980s saw a surge in games created for these new computing devices. As personal computers gained popularity, so did PC games. ¶ 25.</p>
<p>For most of the history of the PC Desktop Game industry, due to technology limitations, gamers purchased most PC Desktop Games at brick-and-mortar locations. When users purchased such games, they received physical media, such as a CD-ROM, that could be brought home and installed on their computers. ¶ 43.</p>	<p>In the early days of the PC gaming industry, technological limitations required most gamers to buy their games from brick-and-mortar stores. These games were sold on physical media like CD-ROMs, which users would take home and use to install the games on their computers. ¶ 26.</p>
<p>Valve launched the distribution component of Steam when Valve released its blockbuster hit <i>Half-Life 2</i> in 2004. At release, consumers could buy <i>Half-Life 2</i> from any of the</p>	<p>In 2004, Valve expanded Steam beyond its initial patching and version-control functionality to include a storefront component. With Valve's release of <i>Half-Life</i></p>

<p>traditional brick and mortar sources, but for the first time consumers could also buy <i>Half-Life 2</i> through the new Steam storefront. Although consumers could <i>buy</i> <i>Half-Life 2</i> from a variety of distributors, they could only <i>play</i> it using the Steam Gaming Platform as the PC Desktop Gaming Platform. . . . Indeed, Valve required all players to log into Valve’s servers through Steam in order to run <i>Half-Life 2</i> at all, even if they bought a physical copy. ¶¶ 51–53.</p>	<p><i>2</i> that year, consumers could—for the first time—purchase a digital copy of a game through Steam. While users could also purchase the traditional physical version of <i>Half-Life 2</i>, Valve made it mandatory for players to use the Steam platform to play <i>Half-Life 2</i>, regardless of where they purchased the game. All <i>Half-Life 2</i> players were required to create a Steam account and install the platform on their PC before playing. ¶ 33.</p>
<p>In addition, unlike other distributors, which freely sell multiple versions of games designed for different platforms, Valve does not sell games enabled for other gaming platforms in the Steam Store. As discussed below, for example, when EA attempted to launch its own PC Desktop Gaming Platform Origin, Valve refused to sell Origin-enabled versions of games through the Steam Store. At the time, EA explained: “At present, there is only one download service [Steam] that will not allow this relationship. . . [The Steam Store] has imposed a set of business terms for developers hoping to sell content on that service—many of which are not imposed by other online game services.” ¶ 170.</p>	<p>Unlike other distributors, Valve refuses to offer games designed for other platforms in the Steam Store. For example, when EA launched its own PC gaming platform, Origin, in 2011, Valve declined to sell Origin-enabled versions of games through its store. EA commented at the time: “At present, there is only one download service [Steam] that will not allow this relationship . . . [The Steam Store] has imposed a set of business terms for developers hoping to sell content on that service – many of which are not imposed by other online game services.” ¶ 37.</p>
<p>By 2020, the Steam Gaming Platform reported 120 million monthly active users, 62.6 million daily active users, 24.8 million peak concurrent users, and 2.6 million per month first-time purchasers. ¶ 57.</p>	<p>In 2020, the platform reported 120 million monthly active users, 25 million peak concurrent users, and 2.6 million new game purchases per month. ¶ 40.</p>
<p>Platform MFNs (or “PMFNs”) occur when an online platform requires that providers using its platform not offer their products or services at a lower price on other platforms. . . . Platform MFNs guarantee that other platforms cannot charge a “lower final price, not because the focal platform has worked to ensure that it has the lowest cost, but rather because it has contracted for competitors’ prices to be no lower.” ¶ 215.</p>	<p>PMFNs bar platform sellers from offering “their products or services at a lower price on other platforms.” These clauses ensure that other platforms cannot offer a “lower final price, not because the focal platform has worked to ensure that it has the lowest cost, but rather because it has contracted for competitor’s prices to be now lower.” ¶ 44.</p>
<p>Economists increasingly recognize that Platform MFNs in particular can harm</p>	<p>Economists have found that PMFNs have a propensity to “harm competition by keeping</p>

competition by “keeping prices high and discouraging the entry of new platform rivals.” ¶ 215.	prices high and discouraging the entry of new platform rivals.” ¶ 45.
As explained by the founder and CEO of Epic Games (“Epic”), one company that has tried to compete against Valve, “Steam has veto power over prices, so if a multi-store developer wishes to sell their game for a lower price on the Epic Games store than Steam, then: 1) Valve can simply say ‘no.’” ¶ 11.	Tim Sweeney, the founder and CEO of Epic, has stated that “Steam has veto power over prices, so if a multi-store developer wishes to sell their game for a lower price on the Epic Games store than [on] Steam, then: 1) Valve can simply say ‘no.’” ¶ 65.
In its publisher documentation, Valve makes explicit that “ <i>Initial pricing as well as proposed pricing adjustments will be reviewed by Valve</i> and are usually processed within one or two business days.” ¶ 186.	Steam’s policy on price changes states that “[i]nitial pricing as well as proposed pricing adjustments will be reviewed by Valve and are usually processed within one or two business days.” ¶ 70.
Well-established companies with strong financial backing, such as EA, Microsoft, and Amazon, have put substantial time and effort into trying to dent the Steam Gaming Platform’s dominance and have largely failed. ¶ 231.	Well-established firms with substantial financial resources, like EA, Microsoft, and Amazon, have invested considerable effort and time in attempts to challenge Steam’s dominance. ¶ 95.
As of October 1, 2018, Valve has three tiers for its commission fee: 30% on all of a game’s earnings under \$10 million; 25% on all of a game’s earnings between \$10 million and \$50 million; and 20% on all of a game’s earnings over \$50 million. ¶ 6 n.3.	Since October 2018, Valve has maintained three tiers for its commission on Steam platform sales: 30% on all of a game’s earnings under \$10 million; 25% on all of a game’s earnings between \$10 million and \$50 million; and 20% on all of a game’s earnings over \$50 million. ¶ 102.
Relative to consoles, PCs offer more immersive and customizable control options for gamers. PC Desktop gamers can plug in the equivalent of a console controller and use that for gaming purposes, but they also can use a keyboard and mouse, joystick, and numerous other types of controls. By contrast, console gamers can only use the console manufacturer’s controllers, or authorized third-party controllers. Flexibility in controller type is one reason that many	In addition to offering superior visual effects, PCs provide consumer gamers with more immersive and customizable control options. PC users can choose from keyboards, mice, joysticks, and even controllers similar to those used on consoles, while console gamers are restricted to the manufacturer’s controllers or a limited selection of authorized third-party options. This versatility in control choices is a significant factor driving many consumer gamers to

gamers choose PC Desktop gaming over console gaming. ¶ 65.	prefer PC gaming over console gaming. ¶ 146.
First, gamers make deliberate choices about which hardware systems to utilize, and once that choice is made, they remain on that platform because of lock-in effects. For example, a gamer that owns an Xbox along with several Xbox accessories such as controllers cannot use the PlayStation edition of a game without duplicating all of their hardware purchases. In this regard, a major advantage and differentiator for the PC as a hardware system is that most people have access to a PC already, and therefore there are no additional hardware costs required for gameplay. ¶ 64.	Consumers make deliberate choices about their hardware systems and often stick to their chosen platform due to lock-in effects. For instance, a player who owns an PlayStation and has invested in various PlayStation accessories, such as controllers, cannot easily switch to a Xbox version of a game without buying new hardware. This creates a barrier to transitioning between platforms. In contrast, a key advantage of PCs is that most people already own one, so they don't face additional hardware costs to start gaming on a PC. ¶ 148.
Second, even for gamers who already own multiple hardware systems—like gamers that own both a PC and an Xbox—versions of the same game are not interchangeable, because different hardware systems offer different functionality and features. ¶ 65.	Even consumers who own multiple hardware systems, like both a PC and a PlayStation, cannot interchange game versions across these platforms. Each system has its own unique functionalities and features, as previously mentioned. ¶ 149.
While both platforms utilize PC hardware, it is still not guaranteed that multiplayer functionality will work across platforms. Therefore, if a gamer has built a large social network on a specific gaming platform, she may lose the ability to enjoy multiplayer games with others in her social network if she switches gaming platforms. ¶ 71.	Similarly, consumers who play multiplayer games often build extensive social networks on specific platforms, and switching platforms can mean losing the ability to play with their friends. Not all games with online multiplayer options support cross-platform play. For instance, a game available on both PC and PlayStation may not allow PC gamers to play with those on PlayStation. ¶ 151.
Valve also emphasized the distinctions between the different types of gaming markets in a response to a third-party subpoena in an antitrust case between Epic and Apple pending in the Northern District of California. There, Valve made the following admissions regarding the definition of the relevant product market:  “Valve is a privately held company with approximately 350 employees that develops PC video games. Valve does not make or sell	Valve has acknowledged the differences between the PC gaming market and the mobile gaming market in response to a third-party subpoena during an antitrust case involving Epic and Apple in the Northern District of California. In this context, Valve argued that it operates in a different relevant product market from Epic and Apple, asserting that it should not be subject to discovery in the case.



<p>phones, tablets, or video games for mobile devices, or otherwise compete in the mobile market. Valve also operates Steam, an online platform that lets users purchase and play PC games on their laptops and desktops. Steam users cannot buy or use mobile apps on Steam.” Valve Letter Brief at 5.</p> <p>“Apple, Google and Samsung compete with each other in the mobile app market. Valve does not compete in that market. The Court already recognized the relevant market must include the product at issue. (Case No. 20-cv-05640-YGR) (Dkt. 118 at 12) (citation omitted). Apple argues the relevant market could be so broad as to include any video game available through any channel, but gives no evidence this might actually be true. Indeed, the Court noted there is ‘little evidence’ iOS users owned multiple devices and changed from one to another in response to price changes. <i>Id.</i> at 17 n.19.” Valve Letter Brief at 6–7.</p> <p>¶ 76.</p>	<ul style="list-style-type: none"> <li>• Valve is a privately held company with approximately 350 employees that develops PC video games. Valve does not make or sell phones, tablets, or video games for mobile devices, or otherwise compete in the mobile market. Valve also operates Steam, an online platform that lets users purchase and play PC games on their laptops and desktops. Steam users cannot buy or use mobile apps on Steam.</li> <li>• Apple, Google and Samsung compete with each other in the mobile app market. Valve does not compete in that market. The Court already recognized the relevant market must include the product at issue. (Case No. 20-cv-05640-YGR) (Dkt. 118 at 12) (citation omitted). Apple argues the relevant market could be so broad as to include any video game available through any channel, but gives no evidence this might actually be true. Indeed, the Court noted there is “little evidence” iOS users owned multiple devices and changed from one to another in response to price changes.</li> </ul> <p>¶ 162.</p>
<p>EGS has also deployed a strategy wherein it gives publishers “some combination of marketing commitments, development funding, or revenue guarantees” in exchange for a promise to not release their games on any alternative platforms during a preset exclusivity window. Epic has deployed this strategy for high-profile games, including <i>Borderlands 3</i>. Notwithstanding this strategy, <i>Borderlands 3</i> has since been released through the Steam Store and is enjoying commercial success there. ¶ 259.</p>	<p>Epic also attempts to compete with Valve by securing timed exclusive access to games on EGS from publishers through various incentives, including minimum revenue guarantees and upfront payments. . . . For instance, although Epic secured an exclusive release for the high-profile game <i>Borderlands 3</i>, the game was later released successfully on Steam where it achieved commercial success. ¶¶ 204–05.</p>